

Related closes on purchase of Chicago Spire loan

July 02, 2013



(Reuters) — U.S. condominium and apartment developer Related Cos. moved closer to owning a two-acre parcel in one of Chicago's most expensive neighborhoods that was to have been the site of North America's tallest residential tower, the ill-fated Chicago Spire.

Related last week closed on the purchase of a loan to finance the Chicago Spire that was made by Anglo Irish Bank Corp. and secured by the real estate. When the auction of the loan began in March, its balance was \$92.8 million, including mounting penalties and interest.

The Chicago Spire, designed by celebrity architect Santiago Calatrava before the financial crisis, was to have been 150 stories high. But Irish developer Garrett Kelleher's Shelbourne Development Group ran into trouble when credit markets froze, and it defaulted on the loan in 2010.

Since then, the project has literally remained a hole in the ground.

A Related spokeswoman confirmed that the company had bought the note but declined to disclose what it had paid for it.

Anglo Irish was nationalized in 2009, and Ireland's National Asset Management Agency, the entity set up to handle soured property loans made by the nation's banks, auctioned off the loan. Jones Lang LaSalle Inc. handled the process.

Related Cos. has built such high-profile projects as the Time Warner Center in New York. Its affiliate,

Related Midwest, in February began selling units in South Loop Luxury by Related, 500 units spread across three residential towers in the city's South Loop neighborhood. It also is building a 45-story, 500-unit luxury rental tower on Chicago's Lake Shore Drive, north of the Chicago River.